

Mr. PEARCE. Mr. Chairman, I rise in strong opposition to H.R. 3221. I rise in strong opposition to the method and strategy promoted in this bill, which suggests that it is a new direction towards energy security. I don't oppose the bill because it doesn't include any new energy. I can tolerate a bill that doesn't include any new energy, and this one doesn't.

But this bill is worse than that. It takes domestic energy supplies away. At this time of record energy prices, this bill limits our domestic production. This is a San Francisco energy policy that will force prices higher, will increase our dependence on oil from Venezuela and Iran, and it will send even more of our American jobs overseas.

The bill is deaf to every signal in this country and around the world regarding energy prices. Listening is one of the most important skills of a policymaker. I urge the Members of this House to please listen to the signals surrounding us.

Oil shattered another record this week, reaching \$78.77 per barrel during the trading day. This "Wrong Direction" bill cuts off 2 trillion barrels of American oil from oil shale resources.

Energy Secretary Bodman called on world producers today to boost oil supply of world oil because the U.S. economy is in a "danger zone." This "Wrong Direction" bill cuts off 10 billion barrels of oil from our own National Petroleum Reserve in Alaska.

On one hand, the Independent System Operator of New England released a study today that states that New England's energy rates are among the highest in the Nation and they will continue to depend almost entirely on the price of natural gas. So New England's energy depends on the supply of natural gas, no matter what policies State leaders adopt for conserving energy.

On the other hand, this "Wrong Direction" bill cuts off 18 percent in Federal onshore natural gas supply by gutting the categorical exclusions provisions from the Energy Policy Act of 2005.

In another move to use energy as a political weapon, Russia announced this week that it would again cut off Belarus from natural gas supplies. At the same time, Russia is putting a flag on the North Pole so that it might drill and continue to feed its hungry energy appetite. Meanwhile, this "Wrong Direction" bill plays 11th hour games and cuts off critical domestic natural gas supplies from the Colorado Roan Plateau. The Roan has enough natural gas to power 4 million homes for more than 20 years.

Venezuela announced this week they are coordinating with the Cubans to drill offshore Florida. China is already working with Cuba to drill off the shore of Florida. And yet we do not harness any of this energy for our own purposes. Instead, we allow the Chinese to become even more dominant in the world.

The bill will prohibit government agencies from working together. Right now, BLM, the Forest Service, the Environmental Protection Agency, the Department of Fish and Wildlife and the Army Corps of Engineers all work together in pilot offices that make common sense to the American taxpayer. Yet this bill stops them.

Dow Chemical announced recent plans to build a \$22 billion chemical facility in Saudi Arabia because natural gas supplies are too tight in this country. This "Wrong Direction" bill breaches contracts with natural gas producers.

Again, this bill simply does not produce any new energy, but, worse, it affects the supply of energy we currently have, diminishing those. It is going to put a double squeeze on our economy.

Mr. Chairman, this is not the best new direction. It is a new direction for the country. It is the wrong direction. I oppose the bill strongly.

Mr. RAHALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, title VII of the pending legislation is the "Energy Policy Reform and Revitalization Act of 2007" which was produced by the Committee on Natural Resources.

It is the product of 14 hearings held this year, input from over 100 witnesses, results from several Government Accountability Office reports and Interior Department Inspector General investigations, and a marathon markup session during which 46 amendments were considered.

The fundamental premise behind this title of H.R. 3221 is that we must restore accountability and integrity in the Federal onshore and offshore energy leasing programs and ensure that the public interest is upheld when it comes to managing energy development on federal lands, while advancing alternative energy strategies, preserving coal's role in a global-climate-sensitive world, and addressing impacts on wildlife, coastal areas and our oceans as a result of climate change.

I would like, at this time, to express my deep appreciation to the Members of the Natural Resources Committee who assisted in crafting this legislation. To Subcommittee on Energy and Mineral Resources Chairman JIM COSTA for the many long hours he put into the hearing process. To RAUL GRIJALVA, Chairman of the Subcommittee on National Parks, Forests and Public Lands who also conducted hearings and aggressively fought for public interest provisions in this legislation. To Subcommittee on Fisheries, Wildlife and Oceans Chairwoman MADELEINE BORDALLO for her vision in seeking to address issues relating to wildlife and our oceans in this measure. And to GRACE NAPOLITANO, chairwoman of the Subcommittee on Water and Power for her contributions as they relate to western water resources as well.

Last, but certainly not least, I would like to express my deep appreciation to the Speaker of the House, NANCY PELOSI, for her intimate involvement with the provisions reported by the Natural Resources Committee during the process of compiling H.R. 3221.

Others will speak to the many issues contained in this title, but at this time, I will focus on two.

Subtitle D of this title will initiate a framework for enabling our Nation to sequester carbon dioxide under the ground to ensure the future use of fuels, such as coal, in an environmentally responsible fashion.

We can talk about ethanol and other biofuels, and wind, and solar all we want, but the fact of the matter is that coal—which produces half of our electricity in this country—will continue to be a mainstay throughout the foreseeable future. At the same time, many of us representing the coalfields of this country recognize that we must—as a Nation—aggressively pursue strategies and technologies to capture and store the carbon dioxide that results from coal combustion.

There are three provisions of this title which seek to accomplish that goal. The first is a national assessment of the geologic capacity for carbon storage, focusing on deep saline formations, unmineable coal seams, or oil and gas reservoirs capable of accommodating industrial carbon dioxide.

The second directs the Interior Department to devise a regulatory framework for conducting geological carbon sequestration activities on federal lands. This is extremely important. In the event a suitable geologic formation is identified on federal lands, there currently exists no clear-cut authority to allow the activity to go forward.

The third is the biomass utilization program established by this title. One of the purposes of this program is to develop biomass utilization for energy, including through combustion with other fuels such as coal, to achieve cleaner emissions. This is especially important in our continued efforts to develop a viable coal-to-liquids industry in this country to counter imported oil. Expert studies and tests show that when coal is mixed with biomass in the coal-to-liquids production process it will produce a cleaner fuel at the tailpipe than conventional gasoline.

The other area of this title which I would like to highlight relates to restoring the public interest in the management of our Federal oil and gas resources. A number of GAO and Interior Inspector General investigations make it abundantly clear that the taxpayers are not receiving a fair return for the disposition of these resources as a result of royalty underpayments, various schemes and outright fraud.

The Natural Resources Committee, under my chairmanship, has been very aggressive in pursuing these matters. There is a fiduciary responsibility to the American people involved here, and if the Interior Department will not fully exercise it then the Congress will.

Provisions of this title will bolster federal audits and provide expanded tools for requiring compliance with the payment of federal oil and gas royalties.

This is simply good government, and it belongs in this energy bill.

Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. COSTA).

Mr. COSTA. Mr. Chairman, I want to thank Chairman RAHALL, Chairman DINGELL and other committee chairmen, along with the Speaker, for developing this important, far-reaching bill to address many of the pressing needs to cut our dependence on foreign oil and gas.

There are many provisions in this legislation, and we know this legislation is a work in progress, but I would